

Section 3 The Merits of Mobile

Views from the U.S. Department of State

Ambassador David A. Gross has served since August 2001 as the U.S. Coordinator for International Communications and Information Policy in the U.S. Department of State. He was nominated by President George W. Bush and confirmed by the Senate. Ambassador Gross was also a member of the UN Information and Communications Technologies Task Force, and is a strong advocate of the economic and social benefits of mobile technology.

What is your opinion on the development to date of the mobile sector in Sub-Saharan Africa?

It's a fascinating region. Sub-Saharan Africa is at once very challenging – because of the low teledensity rates – but it has also showed some of the greatest progress over the last two to three years. The region has a lot of potential but remarkable progress has also been made.

What steps should be taken to encourage development of the region's mobile industry?

The challenges are to create an enabling environment that draws in direct investment. It is now widely recognised that telephony is a private sector enterprise, not a governmental enterprise. The challenge at its core from a governmental and regulatory perspective is what can and should be done to create an environment to encourage investment, both domestic and foreign. The market, even in very rural areas, can be much more robust than people ever thought to be the case. The key here is private sector leadership and the entrepreneurial spirit that sparks private sector development.

Driving down the cost of telephony also becomes extremely important. The great work that has been done by the GSMA, encouraging the manufacturer of low cost mobile handsets, has meant we are now seeing some fantastic benefits.

Do you believe that mobile operators in the region are treated the same way as fixed operators by regulators and governments?

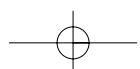
I think it is fair to say that there is not a level playing field. Although such a factor is not necessarily unique to Sub-Saharan Africa, there is a belief that there are some economic advantages for the incumbent wireline players. We work with countries in the region to explain why it is in their economic, social and political best interests to liberalise communications. It is an issue where we are starting to see some real progress.

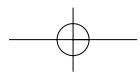
What can be done to help overcome the issue of high interconnection fees for mobile operators in the region?

This is a particularly complicated issue; however, we believe that the key to finding practical solutions to interconnect issues is to have a truly independent regulator that can adjudicate the issues effectively, or at least be in a position to act if the parties involved cannot do so voluntarily. It is worth remembering, though, that this is no longer just a fight between wireline and wireless carriers, but also between wireless carriers. You need an independent regulator that has adequate enforcement authority and you need to have clear rules of the game.

How much progress has been made in this area?

It's uneven throughout the region but there has been some very good progress made in many countries including Botswana, Nigeria and Uganda. There are many more examples of nations that have made very significant process, and we realize they operate in traditionally challenging environments. While it may be relatively easy for countries to pass the right laws, the key is making a commitment to that liberalisation and rule of law at the highest political level. This is something that needs to be done for the best interests of countries as a whole.





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Is mobile technology critical to bridging the 'digital divide'?

We have an interesting take on this. We no longer talk about the digital divide, as we believe it a negative viewpoint focusing on a problem rather than a solution. Instead we talk of digital opportunities. What is unique about mobile is that it has proven itself capable of narrowing gaps in ways that have never before been done. So we speak of digital opportunities rather than any digital divide. Wireless is a key solution to providing digital opportunities.

Any final thoughts on increasing the growth and affordability of mobile communications in the Sub-Saharan Africa region?

One of the things that countries can do very quickly that will be very helpful to people – aside from making sure interconnection is done well and there is adequate spectrum – is lowering or eliminating tariffs on the import of equipment such as handsets and base stations and taxes generally. If you want to encourage something you don't tax it. We believe the best strategy for expanding government resources is to expand the economy, and this can best be accomplished by lowering barriers – legal, tax and regulatory – and allowing the market and private sector to grow. In Sub-Saharan Africa, where economics are driving development, this is especially true.



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